

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
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DATE FILED: JAN 15 2008

UNITED STATES OF AMERICA

- V. -

ALBERT D. CHANG, JR.,

Defendant.

INFORMATION

07 Cr.

COUNT ONE

(Aiding and Assisting in the Preparation and Presentation
of False and Fraudulent U.S. Individual Income Tax Returns)

The United States Attorney charges:

Background

1. At all times relevant to this Information:

(a) Defendant ALBERT D. CHANG, JR. operated a tax return preparation business from a residential building in the Bronx, New York. CHANG, whose business included the preparation of U.S. Individual Income Tax Returns, Forms 1040 (hereinafter "Forms 1040"), and attached Schedules, typically obtained clients for his tax preparation business through word of mouth. Those clients paid tax return preparation fees to CHANG that ranged between \$120 and \$200 per year.

(b) Individuals report their income, and any attendant tax obligations, on Forms 1040, which must be filed annually with the Internal Revenue Service ("IRS").

(c) IRS Form W-2 ("Wage and Tax Statement"), is a

form prepared by employers that documents wage compensation paid by employers to employees, as well as income and other employment-related taxes withheld from an employee's pay for a given tax year. A taxpayer who receives a Form W-2 from his or her employer is required to file the Form W-2 with the IRS together with the taxpayer's Form 1040, documenting the taxpayer's receipt of wage income for that particular tax year from the employer that issued the W-2.

(d) Schedule A ("Itemized Deductions"), an IRS form that is attached to Form 1040 when applicable, must be used by taxpayers to document certain permissible deductions from taxable income to which the taxpayers claim entitlement. Deductions reported on Schedule A include, among others: medical and dental expenses, gifts to charity, and job-related and other miscellaneous expenses.

(e) Schedule C ("Profit or Loss From Business (Sole Proprietorship)"), an IRS form that is attached to Form 1040 when applicable, must be used by taxpayers to report the gross receipts, expenses, and profit or loss from a business operated by the taxpayer as a sole proprietorship.

Statutory Allegations

2. On or about the dates set forth below, in the Southern District of New York and elsewhere, the defendant ALBERT D. CHANG, JR., unlawfully, willfully and knowingly did aid and

assist in, and procure, counsel, and advise, the preparation and presentation under, and in connection with matters arising under, the internal revenue laws of United States, Individual Income Tax Returns, Forms 1040, and accompanying schedules, for the taxpayers identified below, which income tax returns were false and fraudulent as to material matters, in that the returns included: (A) Schedules C (Profit or Loss from Business) that claimed losses, in the amounts set forth below, for businesses that did not in fact exist, or for businesses that did not, in truth and fact, experience the losses claimed; (B) Schedules A (Itemized Deductions) that claimed fictitious and/or inflated deductions in the amounts set forth below, and; (C) inflated or fictitious Form W-2 wages and federal income tax withholding, as set forth below, whereas, as the defendant ALBERT D. CHANG, JR., then and there well knew and believed, the said taxpayers had not realized the business losses in the amounts set forth below, were not entitled to claim the said deductions for the said items in the said amounts set forth below, and had not earned the wages or incurred the income tax withholding set forth below:

APPROXIMATE FILING DATE	TAXPAYER	FORM/ YEAR	MATERIAL MATTER	AMOUNT FALSELY CLAIMED
2/12/04	Client A and Client B	1040/ 2003	Business Loss	\$12,838
			Unreimbursed Job/Misc. Expenses	\$8,247

APPROXIMATE FILING DATE	TAXPAYER	FORM/ YEAR	MATERIAL MATTER	AMOUNT FALSELY CLAIMED
2/22/03	Client A	1040/ 2002	Business loss Unreimbursed Job/Misc. Expenses	\$12,608 \$6,527
2/11/04	Client C	1040/ 2003	Business Loss Unreimbursed Job/Misc. Expenses	\$13,811 \$6,589
2/13/03	Client C	1040/ 2002	Business Loss Unreimbursed Job/Misc. Expenses	\$11,016 \$6,868
2/25/02	Client C	1040/ 2001	Business Loss Unreimbursed Job/Misc. Expenses	\$10,888 \$6,815
3/15/04	Client D	1040/ 2003	Business Loss Unreimbursed Job/Misc. Expenses	\$17,441 \$6,183
4/9/03	Client D	1040/ 2002	Business Loss Unreimbursed Job/Misc. Expenses	\$19,276 \$8,279
3/2/02	Client D	1040/ 2001	Business Loss Unreimbursed Job/Misc. Expenses	\$19,221 \$6,843
3/15/04	Client E	1040/ 2003	Unreimbursed Job/Misc. Expenses	\$14,411
2/4/04	Client F	1040/ 2003	Business Loss Unreimbursed Job/Misc. Expenses	\$21,264 \$9,276


APPROXIMATE FILING DATE	TAXPAYER	FORM/ YEAR	MATERIAL MATTER	AMOUNT FALSELY CLAIMED
1/27/03	Client F	1040/ 2002	Business Loss	\$13,694
			Unreimbursed Job/Misc. Expenses	\$7,101
2/22/02	Client F	1040/ 2001	Business Loss	\$12,748
			Unreimbursed Job/Misc. Expenses	\$6,630
2/11/04	Client G	1040/ 2003	Business Loss	\$17,119
			Unreimbursed Job/Misc. Expenses	\$8,332
1/29/03	Client G	1040/ 2002	Business Loss	\$20,753
			Unreimbursed Job/Misc. Expenses	\$6,679
2/6/02	Client G	1040/ 2001	Business Loss	\$25,557
			Unreimbursed Job/Misc. Expenses	\$7,715
2/17/04	Client H	1040/ 2003	Business Loss	\$25,020
			Unreimbursed Job/Misc. Expenses	\$10,903
2/17/04	Client I	1040/ 2003	Business Loss	\$32,783
			Unreimbursed Job/Misc. Expenses	\$7,194
3/1/04	Client J	1040/ 2003	Business Loss	\$34,448
			Unreimbursed Job/Misc. Expenses	\$8,623
			Wages	\$62,198
			Income Tax Withholding	\$11,757

APPROXIMATE FILING DATE	TAXPAYER	FORM/ YEAR	MATERIAL MATTER	AMOUNT FALSELY CLAIMED
2/5/03	Client J	1040/ 2002	Business Loss	\$27,763
			Unreimbursed Job/Misc. Expenses	\$8,427
			Wages	\$63,530
			Income Tax Withholding	\$13,467
2/18/04	Client K	1040/ 2003	Business Loss	\$15,074
			Unreimbursed Job/Misc. Expenses	\$8,336
			Wages	\$42,894
			Income Tax Withholding	\$8,815
1/28/03	Client K	1040/ 2002	Business Loss	\$4,994
2/3/04	Client L	1040/ 2003	Business Loss	\$15,145
			Unreimbursed Job/Misc. Expenses	\$9,170
1/27/03	Client L	1040/ 2002	Business Loss	\$14,875
			Unreimbursed Job/Misc. Expenses	\$7,607
1/24/02	Client L	1040/ 2001	Business Loss	\$17,121
			Unreimbursed Job/Mis. Expenses	\$6,374
2/9/04	Client M	1040/ 2003	Business Loss	\$14,814
			Unreimbursed Job/Misc. Expenses	\$6,560

APPROXIMATE FILING DATE	TAXPAYER	FORM/ YEAR	MATERIAL MATTER	AMOUNT FALSELY CLAIMED
1/31/03	Client M	1040/ 2002	Business Loss	\$11,562
			Unreimbursed Job/Misc. Expenses	\$6,578
			Income Tax Withholding	\$5,217
1/28/02	Client M	1040/ 2001	Business Loss	\$38,303
			Unreimbursed Job/Misc. Expenses	\$11,479
			Wages	\$79,191
			Income Tax Withholding	\$11,618
2/24/04	Client N	1040/ 2003	Business Loss	\$21,134
			Unreimbursed Job/Misc. Expenses	\$9,332
			Wages	\$33,555
			Income Tax Withholding	\$3,954
2/6/02	Client N	1040/ 2001	Business Loss	\$27,071
			Unreimbursed Job/Misc. Expenses	\$8,025
			Wages	\$45,873
			Income Tax Withholding	\$9,385

APPROXIMATE FILING DATE	TAXPAYER	FORM/ YEAR	MATERIAL MATTER	AMOUNT FALSELY CLAIMED
2/17/04	Client O	1040/ 2003	Unreimbursed Job/Misc. Expenses	\$9,222
			Wages	\$16,424
			Income Tax Withholding	\$2,247

(Title 26, United States Code, Section 7206(2).)


 MICHAEL J. GARCIA
 UNITED STATES ATTORNEY

Form No. USA-33s-274 (Ed. 9-25-58)

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[26 U.S.C. §7206(2)]

MICHAEL J. GARCIA
United States Attorney.
